

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF
THE TTAB

NOV. 6, 97

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Dynamark Security Centers, Inc.
v.
Intruder Alert Systems of San Antonio, Inc.¹

Concurrent Use No. 1,012

Barth X. deRosa of Watson Cole Stevens Davis PLLC for Dynamark
Security Centers, Inc.

Michael H. Samulin for Intruder Alert Systems of San Antonio,
Inc.

Before Simms, Hohein and Walters, Administrative Trademark
Judges.

Opinion by Hohein, Administrative Trademark Judge:

Dynamark Security Centers, Inc. has filed an
application for concurrent use registration of the mark "S.A.F.E.
SECURITY AFFORDABLE FOR EVERYONE" for "leasing of security

¹ Inasmuch as it is noted that Michael H. Samulin, who was named by
Dynamark Security Centers, Inc. as the user in its application, filed
an answer on behalf of Intruder Alert Systems of San Antonio, Inc. in
which he indicated that he is the "President" thereof, Intruder Alert
Systems of San Antonio, Inc. is hereby substituted for Michael H.
Samulin as the user and party defendant in this proceeding. Cf. Fed.
R. Civ. P. 25(c).

systems for residential and commercial use".² The application, which seeks registration for the territory consisting of all of the United States except for the City of San Antonio, Texas, sets forth Intruder Alert Systems of San Antonio, Inc., in light of the substitution thereof for Michael H. Samulin, as the user of the mark "SAFE/SECURITY ALARMS FOR EVERYONE" for "burglar alarms" in the area covering the City of San Antonio, Texas.

User, in its answer, "request[s] that concurrent use be completely and entirely denied," asserting that it is in "the same business that Dynamark Security Centers is involved in"; that it currently uses the mark "S.A.F.E SECURITY ALARMS FOR EVERYONE" in connection with the sale and lease of residential and commercial security systems "in many areas of Texas, as well as Colorado"; that it regards its territory as the States of "Texas, Colorado, [and] Oklahoma, with future acquisition / expansion plans"; and that granting the concurrent use registration sought by applicant "would eliminate the possibility of growth ... to any other markets."

The record consists of the answer; the application file; and, as applicant's case-in-chief, the testimony, with exhibits, of Maxie R. Putnam, who is the chief operating officer and executive vice president of applicant. User did not take

² Ser. No. 74/389,547, filed on May 12, 1993, which alleges dates of first use of May 7, 1993.

testimony or otherwise present any evidence.³ Only applicant submitted a brief. An oral hearing was not requested.

In its brief, applicant has modified its request for a concurrent use registration by conceding that user, in addition to the previously acknowledged area of the City of San Antonio, Texas, is also entitled to use its mark in the territory consisting of the four surrounding counties of Bexar, Comal, Guadalupe and Medina. The sole issue to be determined in this proceeding, therefore, is whether applicant has satisfied its burden of showing that there will be no likelihood of confusion

³ Notwithstanding user's inaction, applicant filed a notice of reliance during the rebuttal testimony period on its requests for admissions, its first set of interrogatories and its first request for production of documents and things. Applicant asserts in its notice that it "introduces into evidence and relies upon" such documents "[i]n rebuttal of defendant's ... Answer". In particular, applicant states in its notice that:

These discovery requests were served on defendant ... on November 15, 1995 by first class mail, postage prepaid. Plaintiff never received defendant's responses to these discovery requests, nor a request for an extension of time. Under Rule 36 of the Federal Rules of Civil Procedure, each Request for Admission is deemed admitted, and plaintiff moves that by failing to respond to Plaintiff's First Set of Interrogatories ... and First Request for Production of Documents and Things, that defendant be prohibited from introducing evidence on any matter covered by said discovery.

Aside from the fact that such request, which constitutes a motion for sanctions under Trademark Rule 2.120(g)(2), is considered to be untimely, we note that since user, in any event, did not introduce any evidence during its testimony period, there is nothing for applicant to rebut. The request for sanctions is accordingly denied as moot. Furthermore, we have given no consideration to user's admissions since such evidence properly constitutes part of applicant's case-in-chief and therefore may not be submitted as "rebuttal". We hasten to point out, however, that irrespective of whether user's admissions form part of the record, we would reach the same result in this proceeding.

from contemporaneous use by the parties of their respective marks for their respective services and goods in their respective geographical areas.

According to the record, applicant's business is to "sell, install, service and monitor security systems for homes [and] ... businesses and other related products," including intercoms and cable computer wiring. (Dep. at 9.) Applicant, since 1984, has been a franchisor of such services, which are offered by its franchisees under the licensed mark "S.A.F.E. SECURITY AFFORDABLE FOR EVERYONE". Basically, applicant's franchisees, who are independent business owners, lease security systems, including burglar alarm products, for residential and commercial use. The actual monitoring of the security systems leased through applicant's franchisees is done by Dynawatch, a company which is owned by applicant and which also provides monitoring services for alarm dealers who are not applicant's franchisees.

Applicant provides two basic types of franchises. Its "standard" franchise, according to Mr. Putnam, is for "someone who has no prior experience in the electronic alarm industry," while its "conversion" franchise is for "an alarm dealer [who] is already in the business but wants some of the things that Dynamark offers, particularly our marketing." (Id. at 10-11.) Applicant supports its franchisees by offering them training programs, marketing materials and business advice. Among other

things, applicant provides training manuals, presentation booklets, selling workbooks, custom brochures, direct mail pieces, camera ready artwork for newspaper ads, magazine ads, real estate brochures, television and radio commercials, door fliers, and home show displays. Applicant's franchisees pay one percent of their gross monthly volume to applicant's national advertising fund,⁴ which it uses "to promote the name, the image and the trademarks" of applicant through such activities as sponsoring the U.S. Bobsled Team. Applicant also uses such fund to run national television commercials on CNN and Headline News, and has offered its security systems as prizes on the following television game shows: Price Is Right, Wheel of Fortune, Jeopardy and Concentration. In addition, applicant has run nationwide ads in USA Today, Better Homes & Gardens, Southern Living and other publications.

Apart from its national advertising fund, applicant does its own advertising to sell its franchises, including running twice yearly ads in such magazines as Success and Entrepreneur, in order to attract "standard" franchisees, and advertising in trade journals directed to security alarm dealers, which is geared to finding "conversion" franchisees. Applicant also attends the International Security Franchise Association trade show, which is usually held in New York City, and the

⁴ Such contributions range from a minimum of \$100 to a maximum of \$500 per month.

International Security Conference trade show, which meets in Las Vegas.

As of the May 15, 1996 date of Mr. Putnam's deposition, applicant had 135 franchises in 44 states, including five in Texas, which serve the metropolitan areas of El Paso, Corpus Christi, Houston, Luflin and Dallas;⁵ three in Colorado, which cover the communities of Broomfield, Aurora and Brighton;⁶ and one in Oklahoma, which spans the entire state.⁷ Applicant currently does not have a franchise in the States of Maine, North Dakota, Alaska, Hawaii, Nevada and Minnesota.⁸ When applicant awards a franchise, it segregates the geographical area awarded by giving each new franchise "an exclusive territory of approximately 100 to 150,000 people." (Id. at 19.) Franchise areas are sometimes divided by county and, in large cities, are broken down by zip codes where there are more than one franchise area. Territory is also allotted, according to Mr. Putnam, by "the volume that a franchisee produces. The more volume they

⁵ As shown by the state map introduced as applicant's Exhibit 22, its five Texas franchises are located so that they roughly form an arc or semicircle around, but clearly separated from, the San Antonio metropolitan area.

⁶ Applicant's Broomfield franchise serves the west side of Denver and extends northwest up to Fort Collins and Greeley; its Aurora franchise covers the east side of Denver over to and including Aurora; and its Brighton franchise, while touching on a portion of Denver, basically serves the Brighton area. Collectively, applicant's three Colorado franchises are using its mark "[p]retty much" throughout such state. (Dep. at 43.)

⁷ Applicant additionally has a franchise in Bermuda and a company owned location in Pittsburgh, Pennsylvania.

⁸ At one time, however, applicant did have a franchise in Minnesota.

produce, the more territory we award them to give them protection for building up the name and the mark." (Id. at 22.) Thus, if a franchisee does what applicant deems to be a reasonable job of increasing its business, applicant expands the franchisee's territory.

In the case of the State of Texas, each of applicant's franchisees services their respective metropolitan areas and some territory beyond such areas. Specifically, as testified to by applicant's witness, "they're not limited to ... just their marketing territory. They can market outside of their [franchise] territory as long as it doesn't interfere with another franchisee's territory." (Id. at 20.) Such interference, Mr. Putnam further noted, is avoided as a practical matter since franchisees "understand pretty much what their primary market territory is, and the franchise agreement also spells out by contract that they are not to direct market in another franchisee's area." (Id. at 20-21.)

Moreover, while conceding that "it's possible" that, for instance, applicant's Corpus Christi franchise could have customers in San Antonio, where user does business, Mr. Putnam indicated that, to his knowledge, such franchise does not. (Id. at 41.) Furthermore, Mr. Putnam noted that San Antonio would "[p]robably not" be an area of direct marketing by any of applicant's franchisees in Texas because "[i]t's quite a ways away. It's about 150 miles from the nearest franchisee, and

probably the only reason that they would go there would be referral from another customer, or something of that nature."

(Id.) Consequently, in terms of direct marketing by applicant or its franchisees, "[t]here will not be any newspaper ads or door fliers or any of that sort of thing done in San Antonio at this point," nor would any television advertising be directed to the San Antonio market. (Id.)

Thus, while applicant's Corpus Christi franchisee, in particular, knows through applicant of user's mark and activities in San Antonio, applicant has not given instructions to any of its franchisees in Texas not to direct market in such area, although instructions to that effect are something which, according to Mr. Putnam, applicant would be willing to consider doing in order to avoid a likelihood of confusion with user. Other steps which applicant would be "willing to take to assure that the S.A.F.E. mark is not used in the San Antonio Metropolitan area" (id. at 43) by its franchisees include the following:

If we were ever to award a franchise in San Antonio, we would include in our agreement and contract with that franchisee that they could not use the S.A.F.E. materials in San Antonio. They could market under Dynamark Security Centers the same type of system and just not call it S.A.F.E.

(Id. at 43-44.)

It is our view that applicant has sufficiently established that concurrent use by the parties of their

respective marks for their respective services and goods in their respective geographical areas is not likely to cause confusion, mistake or deception. See, e.g., Weiner King, Inc. v. Wiener King Corp., 615 F.2d 512, 204 USPQ 820, 830-31 (CCPA 1980); In re Beatrice Foods Co., 429 F.2d 466, 166 USPQ 431, 436-37 (CCPA 1970); and Meijer, Inc. v. Purple Cow Pancake House, 226 USPQ 280, 282 (TTAB 1985). In particular, we have taken into account that it would be against applicant's business interest to cause confusion of the public by franchising its services under its mark in the San Antonio, Texas metropolitan area in which user operates. See Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank, 842 F.2d 1270, 6 USPQ2d 1305, 1307 (Fed. Cir. 1988). Applicant, in this regard, has shown among other things that, as a practical matter, the San Antonio metropolitan area is unlikely be an area of direct marketing, whether through newspaper ads, door fliers, television advertising or the like, by any of its franchisees inasmuch as such area is approximately 150 miles from its nearest franchisee. Moreover, applicant has indicated that, not only is it willing to instruct its franchisees in Texas not to direct market in the San Antonio metropolitan area, but in any event it is also willing to avoid use of its "S.A.F.E. SECURITY AFFORDABLE TO EVERYONE" mark in such area if it should ever award a franchise there. Under such circumstances, and given the absence of any evidence that user

intends to expand its burglar alarm business beyond its present confines, confusion is simply not likely to occur.

Decision: Applicant, **Dynamark Security Centers, Inc.**, is entitled to a concurrent use registration of the mark "S.A.F.E. SECURITY AFFORDABLE FOR EVERYONE" for "leasing of security systems for residential and commercial use" for the area consisting of all of the United States with the exception of the City of San Antonio, Texas and its four surrounding counties of Bexar, Comal, Guadalupe and Medina.

R. L. Simms

G. D. Hohein

C. E. Walters
Administrative Trademark Judges,
Trademark Trial and Appeal Board